ETWD - Website

**Water Budget-Based Tiered Rate Structure**

**Introducing... A New Tiered Rate Structure**

Like many water districts across southern Orange County, El Toro Water District imports nearly 100% of its water supply. The reliability of our imported supply is at risk due to a confluence of issues including two straight years of below-average rainfall; very low snowmelt runoff and the largest court-ordered water transfer restrictions in state history. As a result, our water supplier, Metropolitan Water District of Southern California, reduced our water allocation, and forced ETWD to follow suit and implement a water allocation plan in April 2009.

In an ongoing effort to encourage water efficiency and promote fairness, ETWD will implement a new-tiered rate structure in July 2010. Our new Water Budget-Based Tiered Rate Structure rewards customers who use water efficiently and discourages waste.

Similar to the allocation program, the Water Budget-Based Tiered Rate Structure acknowledges that not all water uses are equal in their benefits to the community. The first priority for water use is for health, safety and sanitary purposes.

Indoor water use budgets will be calculated based on the number of residents in the home and an average use per day, per person. Outdoor water use budgets will be calculated based on the size of the property's estimated irrigated area, County parcel data (lot size), GIS information (house footprint, garage area and driveway) and real time weather data.

Actual budgets will vary based on special needs. Customers may apply for a variance to their water budget to adjust the number people in the household, irrigation area or to address a special circumstance.

**What is Water Based Budgeting?**

Water is a precious natural resource that must be used efficiently to ensure that ample supply continues to exist. Despite all the rain we've had this past winter and spring, southern Orange County has almost no groundwater and must import nearly 100% of its supply.

In addition, state regulations require a reduction in urban water usage by 10 percent by 2015 and 20 percent by 2020. Water budgets serve as a guide and assist customers in efficiently managing their usage.

The Water Budget-Based Tiered Conservation Rate Structure uses property-specific water budgets and tiered pricing to provide customers with an economic incentive to use water efficiently. As such, tiered conservation rates are fair and equitable to all customers. They pass on the costs associated with conservation programs and the development of supplemental water sources to those who use water in less efficient ways.

Each customer’s water budget is designed to meet their individual needs. The water budget is the sum of the indoor and outdoor water budget allocations.

We believe that customers who use water efficiently will find that their water budget will meet their needs and will allow them to purchase water at the lowest rates in our tiered structure. Only customers who are using water inefficiently will pay the higher tiered rates.

**How are Water Budgets Determined?**

El Toro Water District's Water Budget-Based Tiered Conservation Rate Structure is comprised of four tiers of water use.

**Tier 1: Indoor Use** (Efficient)

This tier covers indoor water use and is based on the number of residents in the household (each using 60 gallons of water per day), days in the billing cycle and the indoor drought factor. The indoor drought factor is set by the Board of Directors based on the drought stage. It is currently set at 1.

It is very important that you verify the occupancy number that is listed in the top right hand corner of your monthly water bill. If your occupancy number is incorrect, it is likely that your water budget will also be incorrect.

If the District does not receive verification of your occupancy, the following defaults will be used:

* Attached home
* Unrestricted community (i.e. condominium or townhouse): 3 people
* Age restricted community (i.e. condominium or townhouse): 2 people
* Apartment: 2 people
* Detached home (single family home): 4 people

**Tier 2: Outdoor Use** (Efficient)

Outdoor water budgets will be calculated using a variety of factors, including real time weather data, landscape area, outdoor drought factor and Evapotranspiration (ET) Adjustment Factor (AF).

Multi-family customers, including apartments, condominiums and mobile homes will be provided 25 square feet of landscape per dwelling unit. The landscape area for single-family detached homes is calculated by taking the building area and dividing it by the number of floors and subtracting that from the parcel area. The result is then multiplied by 70 percent to obtain the landscape area.

The outdoor drought factor is currently set at 1. ET is the amount of water that is lost by plants through evaporation and transpiration, and needs to be replaced for the plants to remain healthy. ETAF is a coefficient that adjusts the ET value based on the type of plants and irrigation efficiency. As developed by the California Department of Water Resources, landscape installed prior to January 2010 has an ETAF of 0.8 and new landscape has an ETAF of 0.7.

**Tier 3: Inefficient Use**

Water use in excess of Tier I and II water budget allocations would be deemed inefficient and/or excessive. Tier III water use applies when usage is between 100% and 130% of the Tier I and II water budget allocation.

**Tier 4: Excessive Use**

Tier 4 usage will apply when consumption is over 130% of total water budget.

New Tiered Rates Will Phase In

The new Water Budget-Based Tiered Conservation Rate Structure will become effective with the first full billing period after July 1, 2010 for pricing in Tiers I and II. To ease this transition, the new rates for Tiers III and IV will be phased in during the November and January billing periods.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Water Use Charges | Current Rate | August 2010 | November 2010 | January 2011 |
|  |  |  |  |  |
| Tier I - Indoor | $1.89 | $1.80 | $1.80 | $1.80 |
| Tier II - Outdoor | $1.89 | $2.20 | $2.20 | $2.20 |
| Tier III - Inefficient | $1.89 | $2.20 | $3.29 | $4.38 |
| Tier IV - Excessive | $1.89 | $2.20 | $4.07 | $5.94 |

This phased in approach is designed to allow our customers time to become familiar with the new tiered rate structure and their indoor/outdoor water budgets.

**Water Budget and Monthly Bill Calculator**

As of July 1, 2010, El Toro Water District’s new Water Budget-Based Tiered Conservation Rate Structure will go into effect. This calculator may assist you to in estimating how the new rates will impact your monthly water bill.

We recommend that you have your monthly water bill available when you use the calculator. You’ll need several numbers from your monthly bill to complete your calculation, such as the irrigable area on your property and the size of your water meter.

If you have trouble using the calculator and would like to talk with a Customer Service Representative, please call 949.837.0660.